

Message



Striving towards a sustainable society through social contribution activities and environmentally friendly product development

Masao Yoshida

Masao Yoshida
President & Chief Operating Officer

Through tireless technological innovation revolving around our core material capabilities built up over more than a century, we at the Furukawa Electric Group have continued to work towards our vision of becoming a highly profitable corporate group with a strong global presence whilst consistently basing our operations on an underlying philosophy of contributing to the realization of a genuinely successful and sustainable society.

In the face of mounting global issues such as the environment and poverty, we recognize that our activities as a company depend on the development of a sustainable, stable society. We will therefore continue to contribute to society through the further advancement of Furukawa Electric's technology and the development of products that will help preserve the environment and enrich people's lives.

As President, I have set out a five-pronged policy for the Furukawa Electric Group for fiscal 2008; (1) reinforcing our business foundations, (2) improving product capabilities to ensure that we are our customers' first choice, (3) restructuring our business portfolio, (4) stepping up environmental initiatives and social contribution activities and (5) raising awareness of the Group Philosophy and reforming our corporate culture. The first of these goals, reinforcing our business foundations, will include emphasizing underlying safety and quality, stepping up internal control activities and prioritizing compliance and reflects my intention to focus on the fundamental aspects of our business.

I have earmarked the process of stepping up environmental initiatives and social contribution activities as one of my top priorities for this year in particular. In terms of environmental initiatives, we will continue to work towards reducing greenhouse gas emissions and achieving zero emissions based on the 3Rs, whilst also developing environmentally friendly products and promoting green procurement. As 2008 marks the beginning of the first commitment period under the Kyoto Protocol, we intend to tackle the global issue of reducing greenhouse gases, with renewed determination. In addition to stepping up the pace of the various measures that we have implemented to date, this year we are also

aiming to focus extensively on the promotion of new concepts and more effective initiatives. We will ensure that all of our initiatives, including contributing to the development of energy efficient environmentally friendly products and participating in Team Minus 6%, are implemented on a groupwide basis at all of our manufacturing and non-manufacturing bases.

In terms of social contribution activities, in May we set out the Furukawa Electric Group Basic Policy on Social Contribution Activities and outlined our commitment to consistently and tirelessly undertake social activities, revolving primarily around three categories; nurturing future generations, promoting sport and culture and living side by side with local communities. In addition to contributing to society through our core business activities, we also intend to harness the extensive human resources and facilities at the Furukawa Electric Group's disposal in order to help create a sustainable society and strengthen the bonds that we have built up with local communities over more than a century.

Having set out a medium-term business plan in the form of Innovations 09, the Furukawa Electric Group will continue to make every effort to sustain R&D and capital investment, particularly in our four priority fields (the auto industry, electronic components, photonics/network technology and the environment), and improve asset efficiency through initiatives such as reducing inventory assets and accounts receivable, with our sights set on the target of consolidated sales of ¥1.25 trillion in fiscal 2009.

Based on the notion that corporate value depends on the balance that a company strikes between profitability, environmental protection and social contribution (the so-called "triple bottom line"), we intend to focus on communication with our customers, employees, shareholders, members of local communities and all of our other stakeholders in an effort to develop our business and achieve our targets in line with the needs and expectations of society as a whole.

We look forward to receiving your honest feedback regarding our initiatives.



Expanding CSR activities so as to respond quickly and effectively to society's needs and environmental changes

A handwritten signature in black ink that reads "Tetsuya Sato". The signature is fluid and cursive, written in a professional style.

Tetsuya Sato
Director, Member of the Board, Chief Social Responsibility Officer

In light of a spate of product-related and corporate scandals, earthquakes and other natural disasters and the increasing globalization of corporate activities, companies are facing stricter requirements to fulfill their social responsibilities than ever before. In addition to reliably carrying out their core business operations, including guaranteeing the safety and quality of products and services and ensuring compliance, companies also have a responsibility to protect the environment and contribute to their local communities and society as a whole.

Based on an underlying desire to ensure that the Furukawa Electric Group as a whole contributes to the realization of a genuinely successful and sustainable society in accordance with our new Group Philosophy and Basic CSR Policy, we continue to promote business activities geared towards striking a three-way balance between profitability, environmental protection and social contribution. We have therefore established a CSR and Risk Management Committee (run by the CSR Division) consisting of the Chairman, President, Company Presidents and Chief Officers under the supervision of the Board of Directors, the core of our corporate governance operations. This enables our management staff to implement CSR and risk management activities based on a groupwide framework.

In addition to planning, implementing and providing support for measures ranging from compliance, risk management and safety through to environmental and social contribution activities, our CSR Division also monitors groupwide activities and takes appropriate action as and when necessary to ensure that our CSR activities run smoothly and effectively.

Our main initiatives at present include organizing training in areas such as legislation and corporate ethics, reinforcing compliance, assessing groupwide risks and formulating business contingency plans (BCP), ensuring quality control, managing key risks in areas such as information security, reducing energy consumption and CO₂ from production and shipping, contributing to life cycle assessment (LCA) through initiatives such as the development of lightweight products, expanding our range of eco-products on

a groupwide basis, putting the 3Rs into practice (e.g. reducing waste), implementing groupwide soil pollution measures, promoting green supplier schemes and CSR procurement initiatives, opening up our facilities for use by local communities, taking part in local events and actively promoting employment for people with disabilities.

In addition to providing further details of these and other initiatives in this CSR Report, we make the most of every opportunity to meet and discuss business activities with our stakeholders, including at events such as last year's Furukawa Innovation Expo '07 and various exhibitions and presentations. We also make every effort to provide our overseas stakeholders with details of our activities through the distribution of an English version of this CSR Report via our overseas bases and other facilities. We hope you will all continue to provide us with feedback and keep us informed of any requests.

We will continue to improve communication with all of our stakeholders, who represent the cornerstone of our CSR activities, and expand the Furukawa Electric Group's CSR activities as a whole so as to respond quickly and effectively to society's needs and environmental changes in the future.